From: Linc Wehrly
To: Christopher Grundler
Cc: Karl Simon
Subject: Fw: Washington Post SCR article
Date: 04/12/2007 09:59 AM
Attachments: dsfn040907.pdf

Chris,

This is the Washington post article that Margo was interviewed for. They did a good job keeping it fair and positive. Allen Schaeffer is mentioned in the article.

I'm also attaching an article from Jack Peckham. This has been the most negative press that I've seen on the guidance letter and it's not that bad. He exaggerates when he says the draft guidance letter received "heavy criticism" from diesel vehicle and engine manufacturers. Only two manufacturers were critical of the letter - International and DDC. DDC's criticism was focused on the authority EPA had to call a fluid like urea an adjustable parameter. OGC has assured us Attorney Work Product / Ex. 5

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Linc

dsfn040907.pdf

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----- Forwarded by Linc Wehrly/AA/USEPA/US on 04/12/2007 09:45 AM -----

Clifford Dean/DC/USEPA/US
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Sent by: Clifford Dean

Received Date: 04/10/2007 08:38 AM
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To: Karl Simon/DC/USEPA/US@EPA, Linc Wehrly/AA/USEPA/US@EPA, Janet Cohen/AA/USEPA/US@EPA, Khesha Jennings/DC/USEPA/US@EPA, Jim Blubaugh/DC/USEPA/US@EPA

cc:

Subject: Washington Post SCR article

http://www.washingtonpost.com/wp-dyn/content/article/2007/04/09/AR2007040900997.html

Road Map to a Cleaner Diesel Drive

By Cindy Skrzycki
Tuesday, April 10, 2007; D01

Change your oil according to your vehicle's maintenance schedule, and don't forget to fill the urea tank.

The urea tank?

Starting in 2010, owners of diesel-powered cars and trucks may have to fill a supplementary tank with urea, an organic compound that fights nitrogen oxide emissions when it's injected into a vehicle's exhaust system.

In anticipation of vehicle makers adopting an emissions-reduction system that depends on urea to meet tight diesel pollution-control rules, the *Environmental Protection Agency* issued guidelines on March 27 telling manufacturers how to earn certification for the new engines. The agency wants to ensure that urea is easily available and that systems will be designed to force owners to keep tanks full.

Besides offering insight into the EPA's concerns, the 10-page document illustrates how Washington's regulatory decisions can spawn applications of new technology, increase demand for a commodity and require the establishment of a supply and distribution infrastructure.

In this case, the industry's practical and engineering ingenuity is being challenged. Companies must design a system that would meet Clean Air Act rules by 2010 calling for the virtual elimination of nitrogen oxides and compel owners to maintain emission-control systems.

Diesel engine makers are looking at an advanced control device, called selective catalyst reduction, that uses a urea solution in the exhaust system, reducing the pollutant to nitrogen gas and water.

The technology is attractive to the manufacturers because it has worked in large industrial applications, is already used in Europe and is less costly than other approaches.

"The challenge is to scale it down," said *Joseph Suchecki*, a spokesman for the *Engine Manufacturers Association* in Chicago, which represents 29 major manufacturers of engines for trucks and industrial equipment.

The EPA doesn't doubt that the catalyst with a spritz of urea can do the job. Yet the agency wants to be sure that urea, now used largely as fertilizer, will be easily available and that vehicle owners will be prompted to use it.

Margo Oge, director of the *EPA Office of Transportation and Air Quality*, said the agency has "taken extra steps because we knew there were a number of issues" that companies using selective catalyst-reduction technology would need to overcome to meet nitrogen oxide standards.

The regulators' guidance suggests "driver inducement" as a way to get owners to pay attention to warnings that it's time for a urea refill.

The agency suggests visual and possibly audible alarms that would escalate in intensity as the storage tank approaches empty, "culminating in driver notification that cannot be defeated or ignored." The EPA says an "inducement mechanism" may include one that makes drivers unable to start the vehicle.

The EPA cautioned that the systems must be designed so they can't be disabled, tampered with or filled with something other than the proper concentration of urea. And the agency wants urea to be available at dealers and truck stops, as well as at auto and convenience stores.

"It places a lot of the burden in the laps of engine manufacturers that there never be an empty tank of urea," said *Glen Kedzie*, assistant general and environmental counsel for the *American Trucking Associations*, an Alexandria group that represents trucking companies. Yet he said no one wants to see a trucker put in an unsafe position, stranded in the middle of nowhere without urea.

To respond to the challenge, the companies involved in efforts to control diesel pollution have formed the *Urea Distribution Stakeholder Group*, which meets monthly in Washington.

"It's kind of a chicken-and-egg thing," said *Steve Namanny*, manager of North American sales at *Terra Industries* in Sioux City, Iowa, which makes about 1.3 million tons of urea liquid annually in five plants. "We are ready to support it."

Petroleum marketers expect demand will determine the extent of investment in storage infrastructure. *Dan Gilligan*, president of the *Petroleum Marketers Association of America*, said one concern is keeping the urea warm enough because it freezes at 11 degrees Fahrenheit.

Environmental groups that battled for diesel-emission reductions want to see the rule implemented on schedule.

"It's an important thing to make sure trucks are clean," said *Frank O'Donnell*, president of *Clean Air Watch*, a nonprofit group in Washington. "It eliminates one of the biggest sources of pollution plaguing us for decades."

The economic payoff from a change in the image and performance of diesel engines is expected to be sales of more expensive truck engines and passenger cars that are quieter, fuel efficient and an alternative to hybrid-vehicle technology.

Diesel has long been the power source of choice for larger rigs. Yet motorists have been uninterested because diesels were regarded as dirty, noisy and sluggish.

Allen Schaeffer, executive director of the *Diesel Technology Forum*, a group of engine manufacturers, refiners and makers of emission-control technology, said about 10 percent of new passenger vehicles will be diesel-powered in the next decade. In 2005, 3.6 percent of new passenger vehicles were diesels, including light trucks.

Automakers such as *DaimlerChrysler*, *Honda, Volkswagen, BMW* and *General Motors* are working on diesel technology, some of which will be urea sippers. The diesel forum's Web site showcases more than a dozen cars, sport-utility vehicles, small trucks and vans that use a variety of diesel-pollution controls.

Mercedes-Benz, which is owned by *DaimlerChrysler*, sells four "clean" diesel models in the United States that run on ultra-low-sulfur fuel. Next year, it will roll out three SUVs that will use the urea-based solution, qualifying the vehicles to be sold even in states like California with the most stringent emission standards.

Cindy Skrzycki is a regulatory columnist for Bloomberg News. She can be reached atcskrzycki@bloomberg.net.